



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 11, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: Senate Bill No. 162 SD1 HD2 CD1

On July 10, 2007, Senate Bill No. 162, entitled "A Bill for an Act Relating to Iolani Palace" became law without my signature, pursuant to Section 16 of Article III of the Constitution of the State of Hawaii.

The purpose of this bill is to designate a private organization, The Friends of Iolani Palace ("The Friends"), as the "State of Hawaii Museum of Monarchy History" and to exempt it from chapter 42F, Hawaii Revised Statutes, which provides standards to be met by private persons or organizations in order to receive grants or subsidies of State funds.

This bill is objectionable because the exemption from chapter 42F would allow The Friends to receive State funding without requiring it to meet the standards provided for private organizations to receive public money.

Section 4 of Article VII of the State Constitution states, "No grant of public money or property shall be made except pursuant to standards provided by law." The general standards for the grant of public money to private organizations are provided by law in chapter 42F, Hawaii Revised Statutes. This bill would exempt The Friends from the qualifying standards and conditions related to the receipt of funds under chapter 42F, but this bill does not provide substitute standards that would satisfy the requirement of "standards provided by law" that are required by Section 4 of Article VII of the State Constitution. Consequently, any public money appropriated as a grant to The Friends would be a grant made in violation of the State Constitution.

Because Senate Bill No. 162 does not make an appropriation to The Friends of Iolani Palace, this bill, in and of itself, is not unconstitutional. However, the Legislature will need to amend the bill to reinstate the standards of chapter 42F, Hawaii Revised Statutes, or provide alternate standards that meet the constitutional test before this organization could receive public moneys.

The Honorable Colleen Hanabusa, President
and Members of the Senate
Page 2

For the foregoing reasons, I allowed Senate Bill No. 162 to become law as Act 291,
effective July 10, 2007, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lingle", written in a cursive style.

LINDA LINGLE